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Chief Legal Officer

January 7, 2019

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Joint Application of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC to Establish Green Source Advantage Programs and Riders GSA
Docket No. 2018-320-E

Dear Ms. Boyd:

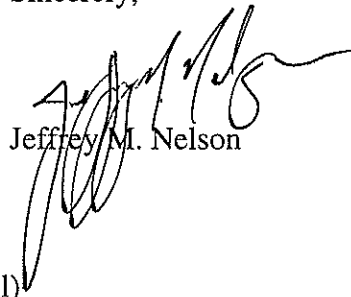
The Office of Regulatory Staff ("ORS") reviewed the Joint Application filed by Duke Energy Carolinas, LLC and Duke Energy Progress, LLC. (together the "Companies") to establish Green Source Advantage ("GSA") Programs and Riders GSA ("Programs") in the above referenced Docket. After considering the Parties' Application, ORS generally supports the implementation of the proposed Programs, but provides the following comments for the Public Service Commission of South Carolina ("Commission") as directed in Order No. 2018-178-H dated November 27, 2018:

1. The Companies should ensure that interconnection requests from participating GSA Facilities procured by the Companies be processed and studied in accordance with the timelines required by the South Carolina Generator Interconnection Procedures ("SCGIP").
2. All non-participating interconnection requests should not be delayed or disadvantaged in any way by the processing of interconnection requests from GSA Facilities.
3. South Carolina rate payers should not be allocated any additional costs incurred by the Companies, GSA Customers, or GSA Facilities to administer and/or participate in the GSA Programs.

4. South Carolina's allocable share of the avoided cost of the renewable energy and capacity purchased under the GSA Programs are to be recovered as part of the Companies' fuel rates pursuant to S.C. Code Ann. § 58-27-865(2)(c).
5. The GSA Programs are not affiliated or a part of the Distributed Energy Resource ("DER") Programs currently implemented under Act 236 and approved by the Commission in Order Nos. 2015-514 and 2015-515. If approved, the GSA Programs should not delay or interfere with the Companies' efforts to achieve the stated goals outlined and approved in the Companies' respective DER Programs.
6. ORS recommends that all GSA Power Purchase Agreements by the Companies be filed with the Commission within ten (10) days of execution.
7. As of the filing of these comments, the North Carolina Utilities Commission has not yet rendered a decision regarding the Companies' similar GSA programs in North Carolina (Docket Nos. E-7, Sub 1170 and E-2, Sub 1169). These programs stem from renewable energy legislation enacted in North Carolina Session Law 2017-192, or House Bill 589. Therefore, ORS recommends the Companies provide an update to the Commission and ORS at the conclusion of those matters and modify this petition as necessary. Oral arguments were presented and heard on September 4, 2018.
8. ORS recommends the following modifications to the proposed Riders GSA:
 - a. Additional language stating, "GSA customers must also be located in the same service territory as the GSA Facility(ies)."
 - b. Additional language stating, "GSA Facility(ies) will not directly serve the GSA customers, but instead will be system supply resources used to serve all native load customers."
 - c. Clarifying language stating, "The Customer may request renewable generation capacity up to 125% of the Customer's aggregate Maximum Annual Peak Demand of the previous 12-month period prior to the date of application."

Should you have any questions, please do not hesitate to contact me.

Sincerely,



Jeffrey M. Nelson

cc: Joseph Melchers, Esquire (via E-mail)